

Fund Summary

OnePath Diversified Bond Index Trust

OneAnswer Frontier Investment Portfolio

31 December 2025

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1571AU
Asset type	Bonds - Global / Australia
Region	Global
Fund size	\$15.39 million as at 31 Dec 2025
Commencement date	15 Nov 2010
Distributions	Quarterly

Investment objective

The fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Barclays Global Aggregate Index (hedged to Australian dollars), before taking into account fees, expenses and tax.

Investment strategy

The fund invests in Australian and international bonds by holding units in a range of underlying fund's and/or direct assets. The fund seeks to reduce credit risk in the portfolio by selecting only bonds with a sufficiently high credit rating and by diversifying the fund's holding across issuers. Futures may be used to gain market exposure without investing directly in fixed interest securities.

Minimum time horizon

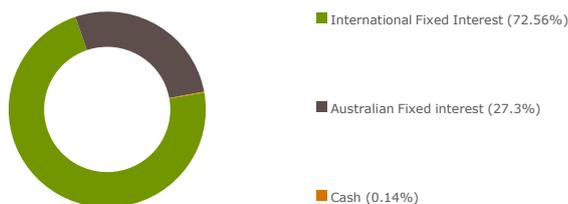
3 years

Standard Risk Measure*

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below:



Asset allocation



* For further information on Standard Risk Measures and the calculation methodology used, go to onepath.com.au/personal/performance/product-updates.aspx

† Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. The prices shown may differ from the actual unit price if an investor is applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction on an investor's investment. Please note that all returns are after the deduction of management fees and expenses and assumes all distributions are re-invested. Where applicable, management fees have been deducted at the highest entry fee option rate. No allowance has been made for entry or exit fees.

‡ Benchmark (MorningstarAus BBG AuBd Cmp/BCGA TR HAUD) returns should be used for indicative purposes only. These returns may not be a true indication of this Fund's performance against its investment objective.

Fund performance

As at 31 Dec 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	-0.45	-0.05	3.37	3.55	-0.87	0.91	1.48
Benchmark ‡	-0.43	-0.23	3.80	3.85	-0.50	1.32	2.00
Excess Return	-0.02	0.18	-0.43	-0.30	-0.37	-0.41	-0.52
Distribution	0.00	0.00	0.26	0.23	3.05	3.00	3.48
Growth	-0.45	-0.05	3.11	3.32	-3.92	-2.09	-2.00

Calendar year

returns	YTD	2025	2024	2023	2022
Total Return †	-	3.37	2.20	5.10	-11.60
Benchmark ‡	3.80	2.59	3.85	-10.99	-0.50
Excess Return	-	0.78	-1.65	16.09	-11.10

Top 10 holdings

Security	% of fund
United States Of America	15.26%
Australia (Commonwealth Of)	14.07%
China Peoples Republic Of (Government)	8.22%
Japan (Government Of)	6.18%
New South Wales State Of	2.92%
Victoria (State Of)	2.86%
France (Republic Of)	2.83%
United Kingdom Of Great Britain And Northern Ireland (G	2.55%
Germany (Federal Republic Of)	2.43%
Italy (Republic Of)	2.30%
Total Top 10	59.62%

Fund Summary

OnePath Diversified Bond Index Trust

OneAnswer Frontier Investment Portfolio

31 December 2025

Market and portfolio review

As 2025 draws to a close, global fixed income markets have experienced a year marked by cautious optimism amid persistent economic uncertainties. Central banks worldwide maintained a generally hawkish stance throughout the year, aiming to balance inflation control with growth support. In December, the Federal Reserve held interest rates steady after a series of hikes earlier in the year, signaling a potential pause as inflation showed signs of moderating. Similarly, the European Central Bank and the Bank of England adopted a wait-and-see approach, reflecting mixed economic data and ongoing geopolitical tensions.

Credit markets demonstrated resilience in December, supported by solid corporate earnings and improving credit fundamentals. Investment-grade bonds benefited from stable demand, while high-yield spreads tightened modestly, reflecting investor appetite for yield in a low-growth environment. Emerging market debt showed relative strength, particularly in countries with robust fiscal positions and commodity export exposure, despite lingering concerns over global growth prospects and currency volatility.

Inflation-linked bonds continued to attract interest as investors sought protection against uncertain inflation trajectories. Meanwhile, duration positioning remained cautious, with many portfolio managers favoring shorter maturities to mitigate interest rate risk amid potential policy shifts in 2026.

Future investment strategy

As investors enter 2026, the global fixed income landscape remains complex, shaped by evolving monetary policies, inflation dynamics, and geopolitical uncertainties. Central banks are expected to maintain a cautious stance, balancing the need to sustain economic growth while keeping inflation in check. The Federal Reserve and other major central banks may hold rates steady in the near term but remain data-dependent, ready to adjust policy if inflationary pressures re-emerge or growth slows more sharply than anticipated.

Credit markets are likely to see selective opportunities, particularly in high-quality investment-grade bonds and resilient emerging market debt. Corporate fundamentals remain generally stable, though investors should remain vigilant for sector-specific risks amid slowing global growth. High-yield bonds may face headwinds if economic conditions deteriorate, but pockets of value could emerge in cyclical sectors.

Duration management will be critical as interest rate volatility persists. Investors may favor shorter-duration instruments to mitigate risk while selectively extending duration in high-quality sovereign bonds if recession fears intensify. Inflation-linked securities will continue to play a key role in portfolios, providing a hedge against uncertain inflation trajectories.

Overall, a disciplined, diversified approach focused on quality and flexibility will be essential for navigating the challenges and opportunities in global fixed income markets in 2026.

OnePath Funds Management Limited (ABN 21 003 002 800 AFSL 23 8342) and OnePath Custodians Pty Limited (ABN 12 008 508 496 AFSL 238346 RSE L0000673) are the issuers of this material. Except as described in the relevant Product Disclosure Statement (PDS), the issuers do not stand behind or guarantee the capital or performance of your investment. Your investment is subject to investment risk, including possible repayment delays and loss of income and principal invested.

This information is current as at 31 Dec 2025 with the commentary current for the most recent quarter end (eg. March, June, Sept or Dec) however in some cases may be applicable for the preceding month or quarter end. Updated information will be available free of charge by contact Client Services on 133 665. The information is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. You should read the relevant PDS available at onepath.com.au and consider whether that particular product is right for you before making a decision to acquire or continue to hold the product.